(d) what is the time schedule for implementation of GST?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Government has announced its intention to introduce Goods and Services Tax (GST) w.e.f. 1st April, 2010. It is proposed to finalise the roadmap for introduction of GST in consultation with the Empowered Committee of State Finance Ministers (EC). Once the roadmap is finalised, the necessary legislative measures will be taken to implement GST as per the agreed roadmap.

(b) GST is a simple, transparent and efficient system of indirect taxation. The system facilitates taxation of goods and services in an integrated manner. The system makes it possible to give input tax credit across all goods and services and the entire chain of transactions and thereby, helps in eliminating taxed-induced economic distortions and gives boost to the economy. The administrative and compliance cost of such a system are much lower. The system can help in making India a truly national common market and a very attractive investment destination.

(c) It is proposed to start the process of consultations with the Empowered Committee of State Finance Ministers shortly with a view to finalise a roadmap for implementation of GST.

(d) It is proposed to implement GST by 1st April, 2010.

Micro-Banking system

1525. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering establishment of a micro-banking system in the country to extend micro-credit to the rural poor;

(b) whether Government are working out the concepts of such a system on the model of the Bangladeshi Grameen Bank which has successfully set up such a rural micro-credit network; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) An Institutional Credit delivery mechanism is already in place to extend credit to large number of borrowers

including the poor. The reach of these institutions is being further increased through various policy measures such as he Business Correspondent and Business Facilitator models and SHG-Bank Linkage Programme. These SHGs are linked to the banks as India has a large network of Bank branches even in the rural areas. With a view to promote financial inclusion, India is open to various models. Many Micro Finance Institutions (MFIs) have also adopted Grameen Bank model. Grameen Bank model is more relevant for areas where banking network is weak.

Issue of participatory notes

1526. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that relatively select number of FIIs issued 73 per cent participatory notes (P-notes);

(b) if so, the details of such FIIs;

(c) whether it is also a fact that participatory notes are largely restricted to three sectors, namely Finance, Technology and Telecom;

(d) if so, the reasons therefor; and

(e) the names of companies which are having more than 10 per cent P-note investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) Information is being collected and will be placed on the Table of House.

Interpretation of Income Tax Laws

1527. SHRI S. ANBALAGAN:
DR. K. MALAISAMY:

Will the Minister of FINANCE be pleased to state:

(a) whether in case of genuine doubt on the part of assessing authority in interpreting the provision of I.T. Laws, what is the correct approach he can adopt;